

SECTION III – FEDERAL REGULATIONS

The following section highlights some of the statutory and regulatory provisions directly affecting project compliance. The following is not meant as an exhaustive listing of compliance regulations.

Part 300 Calculating and Claiming the LIHTC

A. The Annual Tax Credit Amount

The maximum amount of credit that can be allocated is calculated by multiplying the “eligible basis” by an “applicable fraction” to ascertain the “qualified basis” and then multiplied by the “applicable credit percentage.”

For definitions of Qualified Basis, Eligible Basis, Applicable Fraction, and Applicable Tax Credit Percentage, see the Glossary in Section VIII or a low-income housing tax credit textbook or guide.

QUALIFIED BASIS = Eligible Basis multiplied by Applicable Project Fraction

ANNUAL TAX CREDIT = Qualified Basis multiplied by Applicable Credit Percentage

The annual credit allocated may not exceed this amount. However, it may be less if CTCAC determines that this maximum amount is not necessary.

B. Claiming Tax Credits in the Initial Year

The credit is claimed annually for ten years and the credit period can begin in the year that the building is Placed In Service. During the first year of the credit period, the low-income occupancy percentage is calculated on a monthly basis. The calculation begins with the first month in which the project was Placed In Service (or the following year if there is an election to defer the credit period) even though the building may not be occupied during that month. Occupancy for each month is determined on the last day of the month.

An IRS Form 8609 is completed for each building in the development receiving tax credits and is filed with the taxpayer’s tax return for the first year of the credit period. Owners can elect to defer the start of the credit period by checking the appropriate box on the IRS Form 8609. A sample copy of this form and its instructions are located in Appendix 5.

C. Initial Year Proration

A project claiming credit in the initial year of occupancy is subject to a special provision which limits the credit to a proportionate amount based on average occupancy during the year.

For example: If one-half of the low-income units were occupied in November and the remaining one-half were occupied in December, the building would be treated as being in service for 1.5/12 (12.5% - all for December and half for November) of the year for a calendar year partnership. In the 11th year, the disallowed credit of 10.5/12 (87.5%) could be claimed.

If a qualified low-income tenant becomes an ineligible tenant prior to the end of the initial tax credit year, that unit cannot be counted in the first year toward the minimum set-aside for purposes of determining the qualified basis.

D. The Two-thirds Rule

If an owner decides to take the tax credit for a property in the initial year when, for example, only 80% of the units are rented to tax credit eligible tenants, the maximum qualified basis for the entire credit period would be 80% with the remaining 20% eligible for two-thirds credit if later rented to eligible tenants.

E. Increase in Qualified Basis

If there is an increase in a building's qualified basis (usually by adding 1 or more new tax credit units) after the first year of the credit period, and to the extent that a building has been allocated more credit than it has been eligible to take, the owner may claim an additional credit equal to two-thirds of what would first have been eligible to claim. This should not be confused with the first year election described above and is applicable only for increases that occur after the first year of the credit period.

F. Claiming Credit in the Remaining Years of the Compliance Period

Owners must file an IRS Form 8586 (Low-Income Housing Credit) for every year in the compliance period. This form indicates continuing compliance and the qualified basis of the development for each year of the compliance period. A sample copy of this form is located in Appendix 5.

Part 310 Minimum LIHTC Set-aside Requirements and Income Limits

By the time credit is allocated, the owner has elected one of the following two minimum set-aside elections on a project basis:

- (A) At least 20% of available rental units must be rented to households with incomes not exceeding 50% of area median income adjusted for household size.
- or
- (B) At least 40% of available rental units must be rented to households with incomes not exceeding 60% of area median income adjusted for household size.

The project owner may have also elected to target a percentage of the units to persons of lower income levels and/or to target a higher percentage (number) of units to low-income persons. These project owners must comply with those elections.

For more information regarding deeper targeting, see Section III, #380. HUD publishes median income and rent limit information for California and for each county or metropolitan area on an annual basis.

Part 320 Maximum Gross Rent

The maximum gross rent is the tenant paid portion of the rent plus the utility allowance (excluding telephone and cable) and any other mandatory charge. For more information regarding utility allowances, see Section III, #330.

A. Projects Allocated Credit During the Years 1987 to 1989

For projects allocated 1987, 1988, or 1989 credit, the tenant's gross rent may not exceed 30% of the applicable median income (that is, either 50% or 60%, depending on which income set-aside has been chosen) adjusted for household size for the area in which the project is located. The gross rent must include an allowance for utilities, except those that are paid for by the development.

Owners of a low-income building placed in service before 1990 had until February 6, 1994 to make an irrevocable election to continue to use household size or to begin using the number of bedrooms in determining maximum allowable rent. The election applied only with respect to tenants first occupying any unit in the building after the date of the election.

B. Projects Allocated Credit After January 1, 1990

Projects receiving tax credit allocations after January 1, 1990, must be rent-restricted based on an imputed, not actual, household size. Household size is imputed by the number of bedrooms in the following manner:

1. An efficiency or a unit that does not have a separate bedroom – 1 individual; and
2. A unit that has 1 or more separate bedrooms – 1.5 individuals for each separate bedroom.

The maximum gross rent is calculated as 30% of the applicable median income for the imputed household size (notwithstanding that the actual household size may be different).

For Example:

Income Limits (by household size)

<u>One Person</u>	<u>Two Persons</u>	<u>Three Persons</u>	<u>Four Persons</u>
\$10,000	\$15,000	\$20,000	\$25,000

The rent for a two bedroom unit is calculated based on the imputed household size of three persons (1.5 persons for each of the two bedrooms). Annual rent is 30% of the income limit for the imputed household size (\$20,000 x 30%) divided by 12 months [equals \$500]. The \$500 amount would be the maximum allowable gross rent regardless of the number of persons actually occupying the two bedroom unit.

C. Allowable Fees and Charges

Customary fees that are normally charged, such as damage deposits, cleaning deposits, pet deposits, and/or credit deposits are permissible. However, an eligible tenant cannot be charged a fee for work involved in completing the additional forms or documentation required by the LIHTC Program, such as the Certification of Tenant Eligibility.

If after occupying a unit, an eligible tenant cannot pay the rent, the owner has the same legal rights in dealing with the income-eligible tenant as with any other tenant.

D. Gross Rent Floor Election (LIHTC Policy #1)

The area median gross income (AMGI) figures are published annually by the Department of Housing and Urban Development. As the AMGI of an area changes, the maximum rent for a particular unit will change. If the AMGI increases, the maximum allowable gross rent increases. If the AMGI decreases, a reduction in the gross rent may be required; however, the gross rent never needs to fall below the maximum that was applicable for the earliest period the building was included in the determination of whether the project is a qualified low-income housing project (gross rent floor).

See LIHTC Policy #1, Gross Rent Floor Election, in Appendix 1, and IRS Revenue Ruling 94-57, in Appendix 4, for further information regarding determining the effective date of the gross rent floor.

E. Section 8 Rents

Gross rent does not include any payments made to the owner to subsidize the tenants' rent, including Section 8 or any comparable rental assistance program to a unit or its occupants. Only the tenant-paid portion of the rent payment (inclusive of tenant-paid utilities) is considered in determining if the rent exceeds the maximum gross rent permissible.

Additionally, the gross rent may exceed Tax Credit limits at recertification, as long as the initial rent at move-in was under the limit, and the household is receiving at least \$1 in subsidy.

For example:

The maximum allowable gross rent for a unit is \$300. A particular tenant is paying \$200 and the owner receives \$175 Section 8 subsidy for this unit. The rent meets tax credit guidelines because the tenant-paid portion of the rent is not more than \$300.

F. Amenities and Services

Charges for any mandatory amenities and/or services, such as garages, carports, meals, laundry, and housekeeping, must be counted as part of the gross rent for these units. Charges for optional services other than housing do not have to be included in gross rent, but they truly must be optional.

For more information regarding supportive services and exceptions to the above rule, See Appendix IV, IRS Notice 89-6 and IRS Revenue Ruling 91-38, Answer 12.

G. Conflicts with Other Government-Funded Housing Programs

Management must be aware of the differences between RHS rent rules and those of the LIHTC Program that could result in proper RHS rents but in incorrect LIHTC rents. If the LIHTC maximum allowable rent is less than the overage, the overage cannot be charged.

NOTE: *For credit allocations beginning in 1991, the overage can be charged for amounts that will be returned to RHS. This provision is not retroactive to projects receiving credit allocations from 1987 through 1990.*

If a rent amount that is greater than the maximum allowable LIHTC rent is charged to a tenant, management may either rebate the difference between the basic rent and LIHTC rent to the tenant, or discount that amount in the current lease.

NOTE: *A lease addendum must be executed indicating the appropriate discount and the difference between the government (HUD or RHS) rental and the LIHTC. If a discount is not offered, management must maintain adequate documentation of the rebate.*

If the management company determines that the project is not in compliance with LIHTC Program requirements, the CTCAC monitoring agent must be notified immediately.

Part 330 Utility Allowances

The maximum gross rent includes the amount of tenant paid utilities. Utilities include heat, lights, water, sewer, oil, gas, and trash, where applicable. Utilities do not include optional telephone or cable television charges.

When utilities are paid directly by the tenant (as opposed to the development), a utility allowance must be used to determine maximum eligible unit rent. The utility allowance (for utility costs paid by the tenant) must be subtracted from the maximum gross rent to determine the maximum amount of allowable tenant-paid rent.

For example:

If the maximum gross rent on a unit is \$350 and the tenant pays utilities with a utility allowance of \$66 per month, the maximum rent chargeable to the tenant is \$284 (\$350 minus \$66).

If all utilities are included in the household's gross rent payment, no utility allowance is required. The IRS requires that the utility allowances be set according to IRS Notice 89-6, included in Appendix 4.

IRS Notice 89-6 lists the different sources of utility allowances for tax credit developments, which include the following:

- A. RHS Financed Project – Use RHS utility allowances.
- B. HUD Project-Based Subsidy Regulated Buildings – Use HUD approved utility allowances.
- C. Individual Apartments Occupied by Residents who receive HUD Assistance (Section 8 Existing, etc.) – Use the HUD utility allowances as given by the Public Housing Authority (PHA) administering the assistance for those tenants only.
- D. Buildings without RHS or HUD Assistance – Use the PHA utility allowance. An interested party may request the utility company's estimated utility cost for each unit of similar size and construction in the building's geographic area. Such an estimate must be in writing, signed by a local utility company official, prepared on the utility company's letterhead, and maintained in the Development File for the project. Use of the actual utility rates, whether higher or lower, is required once they have been requested.

To remain in compliance, owners must utilize a correct utility allowance in order to properly determine unit rents. An increase in the utility allowance will increase the gross rent and may cause the rent to be greater than the maximum allowable rent, in which case the tenant's rent must be lowered. When a utility allowance changes, rents must be recalculated within ninety (90) days of the effective date of the change to avoid violating the gross rent limitations of Section 42(g)(2). Utility allowances need to be reviewed and updated as follows:

- When the rents for a project or building are changed or there is a change in who pays the utilities.
- Within 90 days of an update by HUD, RHS, PHA, or local utility supplier.
- Within 90 days of a change in the applicable allowance (e.g., a new tenant is receiving HUD Section 8 rental assistance).
- Annually for projects or buildings with documentation from a utility company.

CTCAC requires that the tenant files include documentation on how utility amounts are determined annually. The utility allowance schedule or the utility company estimate must be

obtained at least once a year whenever an update is necessary (whichever occurs first), and kept in the Development File.

Contact the appropriate agency to request current utility allowance information. The LIHTC Section at CTCAC does not maintain the various utility allowances.

* *If the utility allowance estimate is unavailable you are required to contact CTCAC.*

Part 340 Rules Governing the Eligibility of Particular Residential Units

Following is a partial listing of rules governing the eligibility of a unit to be counted as a low-income housing tax credit unit. For more information regarding unit eligibility, consult Section 42 of the IRS Code or a LIHTC textbook or guide.

A. Unit Vacancy Rule

If a low-income unit becomes vacant during the year, reasonable attempts must be made to rent that unit or the next available unit of comparable or smaller size to qualifying tenants BEFORE ANY units of comparable or smaller size in the project are rented to non-qualifying tenants.

Units that have never been occupied cannot be counted as “low-income”, but must be included in the “total units” figure for purposes of determining the applicable percentage.

Units that are vacant at the end of the initial tax year which previously were qualified as low-income units can be considered “low-income” for purposes of determining the amount of credits claimed only if the units were occupied for a minimum of one month by an eligible low-income tenant.

B. When a Unit Must Remain Vacant

If the required percentage of tax credit units has not been met, the remaining number of qualified units must be held vacant for eligible tenants. Units cannot be left permanently vacant and still satisfy the requirements of the tax credit program. The owner or manager must be able to document attempts to rent the vacant units to eligible tenants.

C. 140% Next Available Unit Rule

If the income of the occupants of a qualifying unit increases to more than 140% of the applicable income limitation, the unit may continue to be counted as a low income unit as long as the unit continues to be rent-restricted and the next unit of comparable or smaller size is occupied by a qualified low-income tenant.

D. Transfer of Existing Tenants – 100% Tax Credit Property

- Should an existing household desire to move to a different rent-restricted unit in a different building, this is acceptable provided that the current income of the tenants does not exceed 140%. All application, certification, and verification procedures for the transferring resident(s), including the income and asset verifications transfer with the household. The units then swap status.
- Unit transfers within the same building do not require interim certification/recertification. The file must include documentation verifying income eligibility for the originating unit and document the reason for the transfer.

E. Resident Manager's Unit

The resident manager's unit may be considered in one of two ways listed below:

1. The manager's unit can be considered a common area or other special facility within a rental project that supports and/or is reserved for the benefit of all the rental units. Under this interpretation, the unit is excluded from the low-income occupancy calculation and the unit can be used by the manager without concern as to the effective rent being charged to or the income level of the manager. If this option is elected, the unit occupied by the resident manager is included in the building's eligible basis, but excluded from the applicable fraction for the purposes of determining the building's qualified basis; or
2. The manager's unit could be treated as a rental unit and the unit could be included in the low-income occupancy percentage calculation for the LIHTC building. Under this interpretation, the income level of the manager and the rent charged will affect the low-income occupancy percentage calculation for the building. The manager's unit could be considered a qualified low-income unit (the rent is restricted to a qualifying amount and the resident manager is a certified low-income tenant).

For example:

The project contains one building. This building has 25 units, one of which is a manager's unit. At the end of the first year of the credit period, all units are rented except the manager's unit that remains unoccupied. The building's applicable fraction would be 96% (24/25 assuming all units are the same size). Therefore, if the building's eligible basis is \$700,000, its qualified basis would be only \$672,000. If the manager's unit were considered as common area, it would not be included in either the numerator or the denominator in calculating the applicable fraction. If not included, the building's applicable fraction would be 100% (24/24) and its qualified basis would be \$700,000.

In a project that is less than 100% tax credit eligible, the owner must identify the unit number and street address of the building in which the manager's unit will be located. Once this unit has been identified, it cannot be relocated. The owner must also make an irrevocable designation of the unit as common space (as described in

Section III #340 E.1.) or as a low-income residential unit (as described in Section III #340 E.2.). Once this designation is made, it is irrevocable. If the option described in Section III #340 E 2 (low-income rental unit) is selected, the appropriate monitoring fee must be paid for this unit(s). For more information regarding monitoring fees, see Section V #570.

Part 350 Rules Governing the Eligibility of Particular Tenants and Uses

Following is a partial listing of rules governing the eligibility of certain tenants. For more information on tenant eligibility, consult Section 42 of the Code or a LIHTC textbook or guide.

A. Student Eligibility

The applicable definition of student is a full-time student at an educational institution with regular facilities, other than a correspondence or night school, during at least five months of the calendar year for which application for housing has been made. Under LIHTC regulations, if a single applicant or all applicants are full-time students and not married, then that household is not eligible as an LIHTC unit.

In order for a household of full-time students to be considered eligible, they must meet one of the following criteria:

1. **All** members of the household are married and [either file or are entitled to file](#) a joint tax return
2. The household consists of a single parent and his or her minor children, and both the parent and children are not a dependent of a third party.
3. At least one member of the household receives assistance under Title IV of the Social Security Act. (AFDC, TANF, CalWORKS, etc.)
4. At least one member is enrolled in a job training program receiving assistance under the Work Investment Act (WIA) formerly known as the Job Training Partnership Act, or similar federal, state or local laws [as defined by HUD 4350.3 REV-2](#).

B. Manager, Employees as Tenants

It is permissible for a manager, assistant manager, or other employee of the owner to reside in a unit within a project. The manager or employee may also be included as an eligible tenant if income qualified. If, however, the manager or employee receives free rent or a rental discount, the imputed value of the rent or discount must be counted as income. For additional information regarding the manager's unit, see Section III, #340 E.

C. Live-in Care Attendants

A live-in care attendant for a tax credit tenant should not be counted as a household member for purposes of determining the eligible income and rent limits. The need for a live-in care attendant must be certified with documentation included in the Tenant/Unit File (see Section IV, #460). If the qualified tenant vacates the unit, the

attendant must vacate as well. If an attendant would like to be certified as a qualified tenant and remain in the unit, normal certification procedures must be performed and the individual must meet the applicable eligibility requirements of the program.

D. Non-transient Occupancy

Under program requirements, a unit cannot be tax credit eligible if it is used on a transient basis. A unit is deemed to be transient if the initial lease term is less than six months. There is an exception to this rule for single-room-occupancy (SRO) developments assisted under the Stewart B. McKinney Act.

Single-room-occupancy (SRO) housing must have a minimum lease term of one month. Federal rules allow for month-by-month leases for the following types of housing:

1. SRO units in projects receiving McKinney Act and Section 8 Moderate Rehabilitation Assistance.
2. SRO units intended as permanent housing and not receiving McKinney Act assistance.
3. Units intended as transitional housing that are operated by a governmental or nonprofit entity and providing certain supportive services.

E. Ineligible Facilities

No hospital, nursing home, sanitarium, life-care facility, retirement home providing significant services other than housing, dormitory, or trailer park is eligible to be a low-income housing tax credit project.

Commercial space within a tax credit development is not tax credit eligible.

Part 360 Other Regulations

A. Physical Requirements of Units

Qualified units rented to, or reserved for, eligible tenants:

- Must have substantially the same equipment and amenities (excluding luxury amenities such as a fireplace) as other units in the project; and
- Cannot be geographically segregated from the other units in the project.

Units intended for eligible tenants must be comparable in size, location, and quality to those rented to other tenants. In the event a residential unit in a project which is rented to an eligible tenant is above the average quality standards of the units rented to eligible tenants, then the basis in the project which is used to determine the amount of tax credits must be reduced by the portion which is attributable to the excess costs of the above standard units.

B. Discrimination Prohibited in Project

The owner or agents of the owner shall not discriminate in the provision of housing on the basis of race, color, sex, national origin, religion, marital status, age, familial status, sexual orientation, source of income, or handicap. Additionally, owners cannot refuse to accept a prospective tenant based solely on the fact that the applicant holds a Section 8 rental voucher or certificate. All owners, managers, and staff members should be familiar with both state and federal civil rights and fair housing laws.

C. General Public Requirements

Under program requirements, tax credit units must be available for use by the general public. Owners are allowed to establish preferences for certain population groups (e.g. homeless individuals, persons with disabilities, etc.). These preferences, however, must not violate HUD's anti-discrimination policies.

D. General Occupancy Guidelines/Family Size

There are no current tax credit requirements governing minimum or maximum household size for a particular unit; however, owners must comply with all applicable local laws, regulations and/or financing requirements (e.g. if RHS, use RHS regulations).

CTCAC advises all owners or agents to be consistent when accepting or rejecting applications. Occupancy guidelines or requirements should be incorporated into the development's management plan. Management should be aware of occupancy standards set by federal, state, HUD, PHA, civil rights laws, tenant/landlord laws, and municipal code that may establish a maximum or minimum number of persons per unit.

E. Good Cause Eviction

On July 29, 2004, IRS issued Revenue Ruling 2004-82 which requires all Extended Use Agreements (Regulatory Agreements) for Housing Tax Credit properties to include, a prohibition against evicting or terminating tenancy of tenants in low-income housing units for other than good cause. This prohibition must extend throughout the duration of the entire extended use period.

The Regulatory Agreement for your project requires your compliance with all conditions to tax credit eligibility under Section 42 of the Internal Revenue Code (Code). In accordance with Revenue Ruling 2004-82, effective July 30, 2004, no low-income resident of any Housing Tax Credit project may be evicted or otherwise have their lease terminated other than for good cause. This prohibition includes the non-renewal of a lease or rental agreement other than for good cause. Housing Tax Credit unit occupants have the right to specifically enforce this prohibition in State court. Generally, "good cause" is defined as "the serious or repeated violations of a material term of the lease", as that definition is applied with respect to federal public housing.

Part 370 Statutory Set-Asides

The legislature of the State of California has statutorily created certain “set-asides” based on the housing needs within the state. A percentage of the state’s total credit ceiling each year is set aside for the following:

- A. Qualified nonprofit organizations pursuant to Section 42 of the Internal Revenue Code.
- B. Rural set-aside.
- C. Small developments.

Projects which receive allocations under item A above must document that the project has been and is in continuous compliance with the requirements of this category.

A. Qualified Nonprofit Organization

For projects receiving allocations under the Qualified Nonprofit set-aside, documentation must be provided indicating that the nonprofit organization is materially participating in the ongoing management and operation of the projects.

Documentation that should be retained in the owner’s file is as follows:

- 1. A copy of the approved 501(c)(3) or 501(c)(4) documents.
- 2. Documentation of the percent of project ownership held by the nonprofit organization.
- 3. Documentation of the ongoing participation of the nonprofit organization.

Part 380 Qualified Allocation Plan

A. Reservations Made Under the Various Years’ Qualified Allocation Plans and Regulations

The following are lists of criteria used in the scoring process which have significant compliance monitoring implications, and the corresponding documentation required:

1. Threshold and additional site amenity requirements:

a. Reservations made pre-1990:

No housing type or additional site amenity requirements.

b. Reservations made under the 1990-91 QAP/Regulations

No housing type requirements.

- 1. ***Serving Tenants with Lowest Incomes:*** (Check Appendix A to Regulatory Agreement.) Some owners agreed to restrict both rents and incomes to a level lower than the maximum permitted by the tax credit statute.

2. ***Serving Qualified Tenants for the Longest Period:*** (Check Appendix A to Regulatory Agreement.) Some owners agreed to maintain the project as a qualified low-income project for more than 30 years.
3. ***Possible Site Amenities:*** (Check Appendix A to Regulatory Agreement for physical facility features listed for that project.):
 - On-site child day care facilities
 - Tenant security systems
 - Provision of significant social services by the project owner to the tenants.
4. ***Senior Requirements:***
 - Senior units must be restricted to residents **62 years** of age or older (at least one household member).

c. Reservations made under the 1992-95 QAP/Regulations

1. ***Serving Tenants with Lowest Incomes:*** (Check Appendix A to Regulatory Agreement.) Some owners agreed to restrict both rents and incomes to a level lower than the maximum permitted by the tax credit statute.
2. ***Serving Qualified Tenants for the Longest Period:*** (check Appendix A to Regulatory Agreement.) Some owners agreed to maintain the project as a qualified low-income project for more than 30 years.
3. ***Possible site amenities:*** (check Appendix A to Regulatory Agreement for physical facility features listed for that project.):
 - Security system appropriate and necessary for the population.
 - Outside playground with equipment.
 - Outside household areas (e.g., BBQ's with picnic tables adjoining patios).
 - Lighted exercise, walking paths.
 - Private area with public telephones within a building.
 - Space and hookups within apartments for washer/dryer.
 - Furnished community room (for meetings, etc.).
 - Furnished private therapy/counseling rooms.
 - Community laundry room with equipment.
 - Furnished recreation room (game tables, lounge furniture, television, etc.).
 - Furnished community meals room.
 - Appropriate space for provision of day care programs.
 - Kitchen for preparation of community meals (with an adjacent community meals room).

4. *Housing Types:*

Large Family Requirements:

- At least **15%** of the units in the project must be 3 or 4 bedroom (or larger) units, with the remaining units including a mixture of 1 and 2 bedroom units.
- 3 bedroom units must include at least 1,000 square feet of living space and 4 bedroom units must include at least 1,200 square feet of living space.
- 4 bedroom and larger units must have a minimum of **1 and ½ baths**.

Senior Requirements:

- Senior units must be restricted to residents **62 years** of age or older (at least one household member).*
- Projects over two stories must have an elevator.
- No more than 20% of the targeted units in the project are 2 bedroom units

**Federal Fair Housing Law requires all household members to be age 62 or older.*

SRO Requirements:

- At least 1 bath for every 8 units.

Special Needs Requirements:

- The units/building configurations must meet the specific needs of the population.

d. **Reservations made under 1996-98 QAP/Regulations.**

1. ***Minimum Low-Income Period of 55 Years for all Housing Types.***
2. ***Housing Types:***

Large Family Requirements:

- Rent and income restricted to an average of 56% of area median income.
- At least **30%** of the units in the project are 3 bedroom or larger units.
- 3 bedroom units include at least 1,000 square feet of living space and 4 bedroom units include at least 1,200 square feet of living space.
- 4 bedroom and larger units have at least **2** full baths.
- The project shall provide an appropriately sized common area.
- Adequate laundry facilities are available on the project premises, with no less than 1 washer/dryer per 10 units, or if

no centralized laundry facilities are provided, washers and dryers shall be provided in each unit.

Senior Project Requirements:

- Rent and income restricted to an average of 56% of area median income.
- Unit occupancy shall be restricted to residents who are all **55 years** of age or older.*
- Access to basic services shall be available by other than resident-owned transportation.
- If the project is over two stories it must have an elevator.
- No more than 20% of the low-income units in the project are 2 bedroom units.
- Emergency call systems shall be included in all units, with capability for 24 hour monitoring.
- Common area(s) are provided on site, or within approximately ½ mile of the subject property.
- Adequate laundry facilities are available on the project premises, with no less than one washer/dryer per 15 units. If no centralized laundry facilities are provided, washers/dryers are provided in each of the units.

**Federal Fair Housing Law requires at least one resident in the household to be 55 years of age or older.*

SRO Requirements:

- Rent and income restricted to an average of 45% of area median income.
- Project units are efficiency units that include a complete private bath and kitchen but do not have a separate bedroom. No more than 5% of the total units contain a separate bedroom.
- At least 1 bath is provided for every 8 units.
- Adequate laundry facilities shall be available on the project premises, with no less than 1 washer/dryer per 15 units.

Special Needs Projects:

- Rent and income restricted to an average of 45% of area median income.
- Adequate laundry facilities shall be available on the project premises, with no less than 1 washer/dryer per 15 units.

e. Reservations made under the 1999-2000 QAP/Regulations

1. Same housing type requirements as in 380-A-1-d above, but excludes the average affordability requirement.
2. Senior Project Requirements(In addition to requirements listed in 380-A-1-d):

- All units shall be restricted to households having *at least one member 55 years of age or older* and further be subject to state and federal fair housing laws with respect to senior housing.
3. *Lowest Incomes Served: Owners agree to restrict both rents and incomes to a level lower than the maximum permitted by the tax credit statutes.*
 4. ***Possible additional service amenities, e.g.:***
 - After school programs of an ongoing nature.
 - Educational classes.
 - Licensed child care
 - Contract for services, such as assistance with activities of daily living.
 - Provision of senior counseling services.
 5. ***Bond Projects: Tax-exempt bonds projects receiving credits in 2000*** must have at least 10% of the units at 50% of area median income and possibly service amenities.

f. Reservations made under the 2001 QAP/Regulations

1. *Same housing type requirements as in 380-A-1-d above **plus additional requirements** listed below, but excludes the average affordability requirement.*
2. *Lowest Incomes Served for SRO and Special Needs Projects: Owner agrees to restrict both rents and incomes to a level lower than the maximum permitted restrict both rents and incomes to a level lower than the maximum permitted by the tax credit statutes.*
3. ***Possible additional service amenities, e.g.:***
 - After school programs of an ongoing nature
 - Educational classes (Such as ESL, computer training, etc.)
 - Licensed child care
 - Contracts for services, such as assistance with activities of daily living
 - Provision of senior counseling services
 - Must be appropriate to the populations to be served and committed for 10 years
 - Must be on site and of a regular, ongoing nature or within ¼ mile of the site
 - Must be free of charge (except for daycare) and must have a written agreement with a service provider.

4. ***Housing Types:***

Large Family Requirements (In addition to requirements listed in 380-A-1-d):

- The project shall provide outdoor play/recreational facilities suitable and available to all tenants, for children of all ages, except for small developments as defined in Section 10315(c).

Senior Project Requirements (In addition to requirements listed in 380-A-1-d):

- All units shall be restricted to households having *at least one member 55 years of age or older* (except for projects utilizing federal funds whose programs have differing definitions for senior projects), and further be subject to state and federal fair housing laws with respect to senior housing.
- For projects receiving credit after 2000, emergency call systems shall only be required in units intended for occupancy by frail elderly populations requiring assistance with activities of daily living, and/or applying as special needs units. When required, they shall provide 24-hour monitoring, unless an alternative monitoring system is approved by the Executive Director.

SRO Requirements (In addition to requirements listed in 380-A-1-d):

- Average income is no more than forty-five percent (45%) of the area median income.
- SRO units are efficiency units that may include a complete private bath and kitchen but generally do not have a separate bedroom, unless the configuration of an already existing building dictates otherwise. The maximum size for a SRO unit shall be 500 square feet. At least 90% of the units in the project must meet these requirements.

Special Needs Projects (In addition to requirements listed in 380-A-1-d):

- At least 25% of the tax credit units in the project shall serve populations that meet one of the following: are developmentally disabled; are survivors of physical abuse; are homeless or at risk of becoming homeless; are farm workers; have chronic illness, including HIV and mental illness; are displaced teenage parents (or expectant teenage parents); or another specific group determined by the Executive Director to meet the intent of this housing type.
- Average income is no more than forty-five percent (45%) of the area median income.

5. ***Bond Projects: Tax-exempt bond projects receiving credits in 2001*** will have a minimum of 10% at 50% area median income, up to 20% at 50% area median income, and will include service amenities.

g. Reservations made under the 2002 QAP/Regulations

1. *Serving Qualified Tenants for the longest period: (Check Appendix A to Regulatory Agreement) Owners agreed to maintain the project as a qualified low-income project for 55 years.*

2. ***Housing Types:***

Large Family projects:

- At least thirty percent (30%) of the tax Credit units in the project shall be three-bedroom or larger units.
- Three-bedroom units shall include at least 1,000 square feet of living space and four-bedroom units shall include at least 1,200 square feet of living space.
- Four-bedroom and larger units shall have a minimum of two full bathrooms.
- The project shall provide outdoor play/recreational facilities suitable and available to all tenants, for children of all ages, except for small developments as defined in section 10315(c).
- The project shall provide an appropriately sized common area (s).
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 10 units. If no centralized laundry facilities are provided, washer and dryers shall be provided in each unit. Dishwashers shall be provided in all units.

Senior Projects:

- All units shall be restricted to households eligible under the provisions of California Civil Code 51.3 (except for projects utilizing federal funds whose programs have differing definitions for senior projects), and further be subject to state and federal housing laws with respect to senior housing.
- Access to basic services shall be available by other than resident-owned transportation
- Projects over two stories shall have an elevator.
- No more than twenty percent (20%) of the low-income units in the project shall be larger than one-bedroom units.
- For projects receiving credit after 2000, emergency call systems shall only be required in units intended for occupancy by frail elderly populations requiring assistance with activities of daily living, and/or applying as special needs units. When required, they shall provide 24-hour

monitoring, unless an alternative monitoring system is approved by the Executive Director.

- Common area(s) shall be provided on site, or within approximately one-half mile of the subject property.
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 15 units.

SRO projects:

- Average income is no more than forty percent (40%) of the area median income.
- SRO units are efficiency units that may include a complete private bath and kitchen but generally do not have a separate bedroom. The maximum size for an SRO unit shall be 500 square feet. At least 90% of the units in the project must meet these requirements.
- At least one bath shall be provided for every eight units.
- Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 15 units.

Special Needs projects:

- Average income for the special needs units is no more than forty percent (40%) of the area median income.
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 15 units.

5. ***Possible Additional Service Amenities***

- After school programs of an ongoing nature
- Educational classes (such as ESL, computer training, etc.)
- Licensed child care
- Contracts for services, such as assistance with activities of daily living
- Provision of Senior Counseling services
- Must be appropriate to the populations to be served and committed for 10 years
- Must be on site and of a regular, ongoing nature or within ¼ mile of the site
- Must be free of charge (except for daycare) and must have a written agreement with a service provider.

6. ***Bond Projects: Tax-exempt bond projects receiving credits in 2002*** will have a minimum of 10% of the units at 50% of the median income and Service Amenities.

h. Reservations made under the 2003 QAP/Regulations

1. **Housing Types:**

Large Family projects:

- At least thirty percent (30%) of the tax Credit units in the project shall be three bedroom or larger units, with the remaining units configured based on the demand established in the basic threshold requirements;
- Three-bedroom units shall include at least 1,000 square feet of living space and four-bedroom units shall include at least 1,200 square feet of living space.
- Four-bedroom and larger units shall have a minimum of two full bathrooms;
- The project shall provide outdoor play/recreational facilities suitable and available to all tenants, for children of all ages, except for small developments as defined in Section 10315 (c).
- The project shall provide an appropriately sized common area(s).
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 10 units. If no centralized laundry facilities are provided, washers and dryers shall be provided in each unit.

Senior projects.

- All units shall be restricted to households eligible under the provisions of California Civil Code 51.3 (except for projects utilizing federal funds whose programs have differing definitions for senior projects), and further be subject to state and federal fair housing laws with respect to senior housing;
- The project shall be on a suitable site. Access to basic services shall be available by other than resident-owned transportation;
- Projects over two stories shall have an elevator;
- No more than twenty percent (20%) of the low-income units in the project shall be larger than one-bedroom units, unless waived by the Executive Director, when supported by a full market study. One larger unit may be included for use as a manager's unit without a waiver.
- For projects receiving credit after 2000, emergency call systems shall only be required in units intended for occupancy by frail elderly populations requiring assistance with activities of daily living, and/or applying as special needs units. When required, they shall provide 24-hour monitoring, unless an alternative monitoring systems is approved by the Executive Director;
- Project shall provide appropriate sized common area as noted in the Regulatory Agreement.
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 15 units. If no centralized laundry facilities are provided, washers and dryers shall be provided in each of the units.

SRO projects.

- Average income is no more than forty percent (40%) of the area median income;
- SRO units are efficiency units that may include a complete private bath and kitchen but generally do not have a separate bedroom, unless the configuration of an already existing building being proposed for use as an SRO dictates otherwise. The maximum size for an SRO unit shall be 500 square feet. At least 90% of the units in the project must meet these requirements;
- At least one bath shall be provided for every eight units;
- The project configuration, including community space and kitchen facilities, shall meet the needs of the population;
- Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 15 units;

Special Needs

- To be considered Special Needs housing, at least 50% of the tax credit units in the project shall serve populations who meet one of the following:
- Are developmentally disabled, are survivors of physical abuse, are homeless, have chronic illness, including HIV and mental illness, are displaced teenage parents (or expectant teenage parents) or another specific group determined by the Executive Director to meet the intent of this housing type. The Executive Director shall have sole discretion in determining whether or not an application meets these requirements. In the case of a development that is less than 75% special needs, the non-special needs units must meet another housing type (for example, large family), although the project will be considered as a special needs project for purposes of Section 10325. The application shall meet the following additional threshold requirements:
- Average income for the special needs units is no more than forty percent (40%) of the area median income;
- The units/building configurations (including community space) shall meet the specific needs of the population;
- Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 15 units;

At-risk projects.

Projects are subject to a minimum low-income use period of 55 years; and, Project application eligibility criteria include least seventy percent (70%) of project tenants shall, at the time of application, have incomes at or below sixty percent (60%) of area median income;

2. **Possible Additional Service Amenities**
 - Must be appropriate to the populations to be served and committed for 10 years
 - Must be on site and of a regular, ongoing nature or within ¼ mile of the site
 - Must be free of charge (except for daycare) and must have a written agreement with a service provider.
3. **Bond Projects: Tax-exempt bond projects receiving credits in 2003** will have a minimum of 10% of the units at 50% of the median income and possibly Service Amenities.

i. Reservations made under the 2004 and 2005 QAP/Regulations

1. *Same housing type requirements as in Reservations made under the 2003 QAP/Regulations noted above.*
2. **Possible Additional Service Amenities**
 - High speed internet service provided in each unit, free of charge to tenants
3. **Bond Projects: Tax-exempt bond projects receiving credits in 2004** will have a minimum of 10% of the units at 50% of the median income and Service Amenities.

j. Reservations made under the 2006 QAP/Regulations

1. **Housing Types**

Large Family Projects:

 - At least thirty percent (30%) of the tax Credit units in the project shall be three bedroom or larger units, with the remaining units configured based on the demand established in the basic threshold requirements except that for projects qualifying for and applying under the At-risk set-aside, the Executive Director may grant a waiver from this requirement if the applicant shows it would be cost prohibitive to comply.
 - One-bedroom units must include at least 500 square feet and two-bedroom units must include at least 750 square feet of living space. These limits may be waived at the discretion of the Executive Director. Three-bedrooms shall include at least 1000 square feet of living space and four-bedroom units shall include at least 1200 square feet of living space, unless these restrictions conflict with the requirements of another governmental agency to which the project is subject to approval (bedrooms shall be large enough to accommodate two persons each and living areas shall be adequately sized

to accommodate families based on two persons per bedroom).

- Four-bedroom and larger units shall have a minimum of two full bathrooms
- The project shall provide outdoor play/recreational facilities suitable and available to all tenants, for children of all ages, except for small developments as defined in Section 10315 (c). The Executive Director, in his/her sole discretion may waive this requirement upon demonstration of nearby, readily accessible, recreational facilities.
- The project shall provide an appropriately sized common area(s). For purposes of this part, common areas shall include all interior common areas, such as the rental office and meeting rooms, but shall not include laundry rooms or manager living units, and shall meet the following size requirement: projects comprised of 30 or less total units, at least 600 square feet; projects from 31 to 60 total units, at least 1000 square feet; projects from 61 to 100 total units, at least 1400 square feet; projects over 100 units, at least 1800 square feet. Small developments, defined in Section 10315(e), are exempt from this requirement.
- A public agency shall provide direct or in-direct long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs.
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 10 units. To the extent that tenants will be charged for the use of the central laundry facilities, washers and dryers must be excluded from eligible basis. If no centralized laundry facilities are provided, washers and dryers shall be provided in each unit, subject to the further provision that gas connectors for dryers shall be provided where gas is otherwise available at the property.
- Dishwashers shall be provided in all units unless a waiver is granted by the Executive Director because of planning or financial impracticality.
- Projects are subject to a minimum low-income use period of 55 years.

Senior Projects

- All units shall be restricted to households eligible under the provisions of California Civil Code 51.3 (except for projects utilizing federal funds whose programs have differing definitions for senior projects), and further be subject to state and federal fair housing laws with respect to senior housing;
- The project shall be on a suitable site. Access to basic services shall be available by other than resident-owned transportation;

- Projects over two stories shall have an elevator;
- No more than twenty percent (20%) of the low-income units in the project shall be larger than one-bedroom units, unless waived by the Executive Director, when supported by a full market study. One larger unit may be included for use as a manager's unit without a waiver.
- One-bedroom units must include at least 500 square feet and two-bedroom units must include at least 750 square feet of living space. These limits may be waived at the discretion of the Executive Director.
- For projects receiving credit after 2000, emergency call systems shall only be required in units intended for occupancy by frail elderly populations requiring assistance with activities of daily living, and/or applying as special needs units. When required, they shall provide 24-hour monitoring, unless an alternative monitoring system is approved by the Executive Director.
- Common Area(s) shall be provided onsite, or within approximately one-half mile of the subject property. For purposes of this part, common areas shall include all interior common areas, such as the rental office and meeting rooms, but shall not include laundry rooms or manager living units, and shall meet the following size requirement: projects comprised of 30 or less total units, at least 600 square feet; projects from 31 to 60 total units, at least 1000 square feet; projects from 61 to 100 total units, at least 1400 square feet; projects over 100 units, at least 1800 square feet. Small developments, defined in Section 10315(e), are exempt from this requirement.
- A public agency shall provide direct or in-direct long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs.
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 15 units. To the extent that tenants will be charged for the use of the central laundry facilities, washers and dryers must be excluded from eligible basis. If no centralized laundry facilities are provided, washers and dryers shall be provided in each unit, subject to the further provision that gas connectors for dryers shall be provided where gas is otherwise available at the property.
- Projects are subject to a minimum low-income use period of 55 years.

SRO Projects

- Average income is no more than forty percent (40%) of the area median income.

- SRO units are efficiency units that may include a complete private bath and kitchen but generally do not have a separate bedroom, unless the configuration of an already existing building being proposed to be used for an SRO dictates otherwise. The maximum size for an SRO unit shall be 500 square feet.
- At least one bath shall be provided for every eight units.
- If the project does not have a rental subsidy committed, the applicant shall demonstrate that the target population can pay the proposed rents. For instance, if the target population will rely on General Assistance, the applicant shall show that those receiving General Assistance are willing to pay rent at the level proposed.
- The project configuration, including community space and kitchen facilities, shall meet the needs of the population.
- A public agency shall provide direct or indirect long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development cost.
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 15 units.
- Projects are subject to a minimum low-income use period of 55 years
- A ten percent (10%) vacancy rate shall be used unless otherwise approved by the Executive Director. Justification of a lower rate shall be included.
- A signed contract or memorandum of understanding between the developer and the service provider, together with the resolution of the service provider, must accompany the Tax Credit application.
- A summary of the experience of the developer and the service provider in providing for the population to be served must accompany the Tax Credit application.
- New construction projects for seniors shall not qualify as Single Room Occupancy housing.

Special Needs Projects

- To be considered Special Needs housing, at least 50% of the tax credit units in the project shall serve populations who meet one of the following:
- Are developmentally disabled, are survivors of physical abuse, are homeless, have chronic illness, including HIV and mental illness, are displaced teenage parents (or expectant teenage parents) or another specific group determined by the Executive Director to meet the intent of this housing type. The Executive Director shall have sole discretion in determining whether or not an application meets these requirements. In the case of a development that is less than 75% special needs, the non-special needs units must meet

another housing type (for example, large family), although the project will be considered as a special needs project for purposes of Section 10325. The application shall meet the following additional threshold requirements:

- Average income for the special needs units is no more than forty percent (40%) of the area median income
- Third party verification from a federal, state, or local agency of the availability of services appropriate to the targeted population.
- The units/building configurations (including community space) shall meet the specific needs of the population
- If the project does not have a rental subsidy committed, the applicant shall demonstrate that the target population can pay the proposed rents. For instance, if the target population will rely on General Assistance, the applicant shall show that those receiving such assistance are willing to pay rent at the level proposed.
- A public agency shall provide direct or in-direct long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs.
- Adequate laundry facilities shall be available on the project premises, with no less than one washer/dryer per 15 units.
- Projects are subject to a minimum low-income use period of 55 years.
- A ten percent (10%) vacancy rate shall be used for pro-forma purposes unless otherwise approved by the Executive Director.
- Where services are required as a condition of occupancy, special attention will be paid to the assessment of service costs as related to maximum allowable Credit rents. A tax professional's opinion as to compliance with IRC Section 42 may be required by the Executive Director.
- A signed contract or memorandum of understanding between the developer and the service provider, together with the resolution of the service provider, must accompany the Tax Credit application.
- A summary of the experience of the developer and the service provider in providing for special needs populations must accompany the Tax Credit application.
- A preliminary service plan that specifically identifies the services to be provided to the special needs population. The Executive Director shall, in his/her sole discretion, determine whether the plan is adequate to qualify the project as a special needs project.

At-Risk Projects

- To be considered At-risk housing, the application shall meet the requirements of R & T Code subsection 17058(c)(4), except as further defined in subsection (B)(i) below, as well as the following additional threshold requirements, and other requirements as outlined in this subsection:
- Projects are subject to a minimum low-income use period of 55 years
- Project application eligibility criteria include: before applying for Tax Credits, the project must meet the At-risk eligibility requirements under the terms of applicable federal and state law as verified by a third party legal opinion, except that a project that has been acquired by a qualified nonprofit organization within the past two years of the date of application with interim financing in order to preserve its affordability and that meets all other requirements of this section, shall be eligible to be considered an “at-risk” project under these regulations. A project application will not qualify in this category unless it is determined by the Committee that the project is at-risk of converting due to market or other conditions.
- The project must currently possess or have had within the past two years from the date of application, either federal mortgage insurance, a federal loan guarantee, federal project-based rental assistance, or, have its mortgage held by a federal agency, or be owned by a federal agency or be currently subject to, or have been subject to, within two years preceding the application deadline, Federal Housing Tax Credit restrictions whose compliance period is expiring or has expired within the last two years and at least 50% of whose units are not subject to any other rental restrictions beyond the term of the Tax Credit restrictions.
- As of the date of application filing, the applicant shall have sought available federal incentives to continue the project as low-income housing, including, direct loans, loan forgiveness, grants, rental subsidies, renewal of existing rental subsidy contracts, etc.
- Subsidy contract expiration, mortgage prepayment eligibility, or the expiration of Housing Tax Credit restrictions shall occur no later than five calendar years after the year in which the application is filed, except in cases where a qualified nonprofit organization acquired the property within the terms of (i) above and would otherwise meet this condition but for: 1) long-term use restrictions imposed by public agencies as a condition of their acquisition financing; or 2) HAP contract renewals secured by the qualified nonprofit organization for the maximum term available subsequent to acquisition.
- The applicant agrees to renew all project based rental subsidies (such as Section 8 HAP or Section 521 rental

assistance contracts) for the maximum term available and shall seek additional renewals throughout the project's useful life, if applicable.

- At least seventy percent (70%) of project tenants shall, at the time of application, have incomes at or below sixty percent (60%) of area median income.
- The gap between total development costs (excluding developer fee), and all loans and grants to the project (excluding Tax Credit proceeds) must be greater than fifteen percent (15%) of total development costs.
- a public agency shall provide direct or indirect long-term financial support of at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development cost.

2. ***Possible Additional Site Amenities***

- Located within ¼ mile of a transit station, rail station, or bus station
- Located within 500 feet of a bus stop
- Located within ¼ mile of a public park (½ mile for rural set-aside projects)
- Located within ¼ mile of a public library
- Located within ¼ mile of a full scale grocery store/supermarket where staples, fresh meat, and fresh produce are sold (½ mile for rural set-aside projects)
- For a Large Family development, the site is within ¼ mile of a public elementary, middle, or high school that children living in the development may attend (½ mile for rural set-aside projects)
- For a Senior development, the site is within ¼ mile of an off-site daily operated senior center or facility offering daily services specifically designed for seniors (½ mile for rural set-aside projects)
- For a Special Needs or SRO development, the site is within ½ mile of a facility that operates to serve the population living in the development
- Located within ½ mile of a medical clinic or hospital (1 mile for rural set-aside projects)
- Located within ¼ mile of a pharmacy (½ mile for rural set-aside projects)

3. ***Possible Service Amenities***

- High speed internet service provided in each unit, free of charge to tenants
- After-school programs of an ongoing nature for school age children
- Educational classes (such as ESL, computer training, etc.) but which are not the same as after-school programs

- Licensed child care providing 20 hours or more per week (Monday through Friday) to residents of the development
- Contracts for services, such as assistance with activities of daily living, or provision of counseling services, where a contract is in place at the time of application (only for Senior, SRO, and Special Needs projects)
- Bona fide service coordinator available

k. Reservations made under the 2007 QAP/Regulations

1. *Same housing type requirements as in Reservations made under the 2006 QAP/Regulations noted above.*
2. **Bond Projects:** Revoke 2006 requirement that Tax-exempt bond projects receiving credits will have a minimum of 10% of the units at 50% of the median income and Service Amenities.